

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 ARTHUR D. TAGGART
Supervising Deputy Attorney General
3 ELENA L. ALMANZO, State Bar No. 131058
Deputy Attorney General
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 322-5524
6 Facsimile: (916) 327-8643

7 Attorneys for Complainant

8
9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2009-11

12 TRUDY NEWBERRY REED
13 9550 Knight Lane
Stockton, CA 95209

A C C U S A T I O N

14 Certified Public Accountant
15 Certificate No. 51681

16
17 Respondent.

18 Complainant alleges:

19 **PARTIES**

- 20 1. Patti Bowers (Complainant) brings this Accusation solely in her official
21 capacity as the Executive Officer of the California Board of Accountancy.
22 2. On or about November 18, 1988, the California Board of Accountancy,
23 (hereinafter "Board") issued Certified Public Accountant License Number CPA 51681 to Trudy
24 Newberry Reed (Respondent). The Certified Public Accountant License expired on October 1,
25 2008, and has not been renewed.
26 3. On or about August 6, 2004, the Board issued a Fictitious Name Permit
27 No. 1428 to Respondent for Reed & Company.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
84

4. This Accusation is brought before the Board, under the authority of the

5
66
7
8
9
1011
1213
14

14
15
16
17
18

19
20

20
21
22
23
24
25
26

$$\begin{matrix} 2 \\ 2 \end{matrix}$$

2

1 violation, including specific reference to the provision of law determined to have been violated.

2 (2) Whenever appropriate, the citation shall contain an order of abatement fixing a
3 reasonable time for abatement of the violation.

4 (3) In no event shall the administrative fine assessed by the board, bureau, or commission
5 exceed five thousand dollars (\$5,000) for each inspection or each investigation made with respect
6 to the violation, or five thousand dollars (\$5,000) for each violation or count if the violation
7 involves fraudulent billing submitted to an insurance company, the Medi-Cal program, or
8 Medicare. In assessing a fine, the board, bureau, or commission shall give due consideration to
9 the appropriateness of the amount of the fine with respect to factors such as the gravity of the
10 violation, the good faith of the licensee, and the history of previous violations.

11 (4) A citation or fine assessment issued pursuant to a citation shall inform the licensee
12 that if he or she desires a hearing to contest the finding of a violation, that hearing shall be
13 requested by written notice to the board, bureau, or commission within 30 days of the date of
14 issuance of the citation or assessment. If a hearing is not requested pursuant to this section,
15 payment of any fine shall not constitute an admission of the violation charged. Hearings shall be
16 held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of
17 the Government Code.

18 (5) Failure of a licensee to pay a fine within 30 days of the date of assessment, unless the
19 citation is being appealed, may result in disciplinary action being taken by the board, bureau, or
20 commission. Where a citation is not contested and a fine is not paid, the full amount of the
21 assessed fine shall be added to the fee for renewal of the license. A license shall not be renewed
22 without payment of the renewal fee and fine.

23 8. Section 5051 states in pertinent part:

24 "Except as provided in Sections 5052 and 5053, a person shall be deemed to be
25 engaged in the practice of public accountancy within the meaning and intent of [Chapter 1 of
26 Division 3 (commencing with Section 5000)] if he or she does any of the following:

27 "(a) Holds himself or herself out to the public in any manner as one skilled in the
28 knowledge, science, and practice of accounting, and as qualified and ready to render professional

1 service therein as a public accountant for compensation.

2 "(b) Maintains an office for the transaction of business as a public accountant.

3 "(g) Prepares or signs, as the tax preparer, tax returns for clients.

4 9. California Code of Regulations, title 16, section 95.4, provides that:

5 "The failure of a licensee to comply with a citation containing an assessment of
6 administrative fine, an order of correction or abatement or both an administrative fine and an
7 order of correction or abatement after this citation is final and has been served in accordance with
8 the provisions of Section 11505(c) of the Government Code shall constitute a ground for
9 revocation or suspension of the license or permit."

10 10. Section 5107 of the Code provides, in pertinent part, that , "The executive
11 officer of the board may request the administrative law judge, as part of the proposed decision in
12 a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed
13 a violation or violations of this chapter to pay to the board all reasonable costs of investigation
14 and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not
15 recover costs incurred at the administrative hearing."

16 FIRST CAUSE FOR DISCIPLINE

17 (Failure to Comply with Citation)

18 11. Respondent is subject to disciplinary action under sections 5100 (g) in
19 conjunction with 125.9 and Code of Regulations, Title 16, section 95.4, in that she failed to
20 comply with citation number CT-2009-1 issued by the Board. The circumstances are as follows:

21 12. On or about July 21, 2008, the Board issued Citation Number CT-2009-1
22 alleging that respondent failed to respond to a subpoena issued by the Board on April 7, 2008.
23 Respondent was also fined in the amount of \$2,500. Respondent did not appeal the citation and
24 the citation became final on August 21, 2008. To date, Respondent has not complied with the
25 order of abatement nor has she paid the fine.

26 //

27 //

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40
- 41
- 42
- 43
- 44
- 45
- 46
- 47
- 48
- 49
- 50
- 51
- 52
- 53
- 54
- 55
- 56
- 57
- 58
- 59
- 60
- 61
- 62
- 63
- 64
- 65
- 66
- 67
- 68
- 69
- 70
- 71
- 72
- 73
- 74
- 75
- 76
- 77
- 78
- 79
- 80
- 81
- 82
- 83
- 84
- 85
- 86
- 87
- 88
- 89
- 90
- 91
- 92
- 93
- 94
- 95
- 96
- 97
- 98
- 99
- 100

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841

3
4
5
6

7
8
9

10
11
12
13

14

15
1617
18

19
20
21

2.

2.

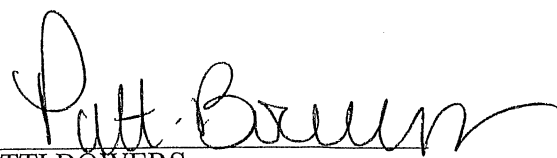
2

2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

3. Taking such other and further action as deemed necessary and proper.

DATED: March 16, 2009



PATTI BOWERS
Executive Officer
California Board of Accountancy
State of California
Complainant

SA2008306301

30687248.wpd